

NSC BRIEFING

30 September 1958

SOUTH VIETNAM

- I. Discontent in both official and private circles in South Vietnam with President Diem's one-man rule is growing threat to government stability.
 - A. Influential Vietnamese, who formerly supported Diem without question, are now increasingly critical of his refusal to delegate authority and to broaden base of government.
 1. These critics include cabinet members and even vice-president Nguyen Ngoc Tho.
 2. Majority remain faithful to Diem, but feel his tight rein is seriously jeopardizing the regime.
 3. Some have resigned out of frustration and disgust.
- II. A major source of dissatisfaction is Diem's brother, Ngo Dinh Nhu, who heads the president's tight circle of advisers and is widely feared and hated. Diem makes policy and runs government but has left political organization to his brother.
 - A. Nhu chairs elite Can Lao Party which controls all political activity in Vietnam.
 1. Through its covert apparatus, Can Lao also directs Vietnamese security and intelligence operations and is trying to strengthen its influence in the armed forces.

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2. Can Lao interference and police state measures have caused much resentment within government and among some army officers.

III.

1. Expansion of resentment in army would create dangerous situation since army is Diem's main pillar of support.
2. Example of such discontent occurred in August when an air force lieutenant piloting one of four fighters escorting Diem's plane broke formation and landed at Seno air base in Laos because he "couldn't go back."
3. Moreover, Diem has been target of attempted assassination before. His death would precipitate a struggle for power, and dangerously weaken the government's anti-Communist posture.

IV. There is also considerable apathy and resentment among Vietnamese populace due to Saigon's preoccupation with internal security at the expense of economic progress, because of heavy-handed police measures and venal and oppressive civil servants.

- A. This situation plays into hands of the Vietnamese Communists (Viet Cong) who appear to be stepping up their clandestine activities.
1. In addition to increased terrorism, Viet Cong activities include a growing propaganda campaign to alienate masses by depicting Diem as a puppet of the "colonialist" Americans--successors of hated French.